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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 005847

SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS, H, EB H PLEASE PASS TO OFFICE OF SENATOR BOND

E.O. 12958: DECL: 12/15/2015
TAGS: PREL PTER PGOV ASEC EINV MOPS RP APEC
SUBJECT: SENATOR BOND MEETS WITH GRP OFFICIALS, U.S.
BUSINESS LEADERS, DECEMBER 7-10, 2005

REF: MANILA 5799

Classified By: Charge d'Affaires, a.i., Paul W. Jones for reasons $1.4\ (b)$ and (d).

11. (C) Summary. Senator Christopher S. Bond visited the Philippines December 7-10, meeting with Philippine government and military officials and local American business leaders. Senator Bond spoke with President Arroyo the possibility of developing regional structures along the lines of the Organization for Security and Co-operation in Europe; he also encouraged her to visit the U.S. In other meetings with GRP officials, he discussed the GRP's current assessment of terrorist threats to the Philippines, difficulties in passing anti-terrorism legislation, and current state of Philippine Defense reform. On a trip to Zamboanga, he was briefed by Philippine generals on recent operations in Mindanao. The American chamber of Commerce of the Philippines provided Senator Bond with an assessment of the major problems facing U.S. commercial investors in the country. Senator Bond's visit contributed immensely to our efforts to focus the GRP's Executive branch and Congress on our substantive agenda, led off by the Global War on Terrorism. End Summary.

Regional Architecture

12. (C) Reftel reports on Senator Bond's December 9 discussion with President Gloria Macapagal Arroyo on intelligence cooperation, terrorism, efforts to encourage reforms in Burma, and foreign investment and trade issues. Senator Bond also queried President Arroyo about strengthening the Asian-Pacific regional architecture, such as developing structures along the lines of the Organization for Security and Co-operation in Europe. President Arroyo noted that APEC had expanded its role considerably after September 11, 2001, attacks on the U.S. and now addressed a range of multilateral issues. Senator Bond also warmly encouraged President Arroyo to visit the U.S. President Arroyo said she had no immediate plans for such a visit, but she always enjoys her time in America and hopes to be back soon.

National Security

- (C) On December 8, Senator Bond met with National Intelligence Coordinating Agency (NICA) Director Cesar Garcia, who provided NICA's most recent assessment of terrorist threats in the Philippines, focusing almost exclusively on the activities of Jemaah Islamiah (JI). Garcia described religiously-motivated terrorism in the Philippines as increasing, while economically-motivated terrorism was in decline. Garcia noted that much of JI's funding came from individuals in Saudi Arabia, although some Saudi funding also was for legitimate purposes. He suggested that JI's training of locals had a financial dimension in that it created an incipient "bombing for hire" industry. When asked about the prospect for counterterrorist efforts in the southern Philippines, Garcia said that the ongoing peace process between the GRP and the Moro Islamic Liberation Front (MILF) was crucial, since it would drive a wedge between secularists and more extreme groups. He added that the activities of the JI and the Abu Sayyaf Group would suffer greatly from the capture of their leaders, while the MILF was an organization that could better withstand a loss of individual leaders.
- 14. (C) Senator Bond separately met on December 8 with National Security Advisor Norberto Gonzales. Gonzales assured Senator Bond that the ongoing difficulty in passing proposed anti-terror legislation was due to the efforts of "a few unique people" and was not reflective of broader popular opinion. In response to Senator Bond's inquiries regarding bilateral cooperation in the Global War on Terror, Gonzales stated the GRP appreciated that there are dimensions of the GWOT that the GRP cannot handle unilaterally. He further asserted that the GRP clearly needed the USG as a partner in the GWOT, and that those Filipinos who object to such an arrangement represented only a "narrow spectrum" of

Philippine popular opinion.

Visiting the troops

15. (C) Senator Bond and party flew on December 9 to Zamboanga to observe Joint Special Operations Task Force - Pacific (JSOTF-P) operations and meet U.S. troops. The senator called on Lieutenant General Edilberto Adan, Commander of the Armed Forces of the Philippines Southern Command, who expressed his appreciation for the support of JSOTF in humanitarian operations and intelligence support. General Adan and Marine General Alleo, who commanded AFP forces in Sulu during recent fighting, provided a briefing on recent operations. The generals supported applying the "Basilan model" to Sulu, but noted that the presence of the local Tausugs and the history of U.S. involvement on Sulu made the environment more difficult than Basilan. After the briefing, Senator Bond and General Adan spoke with television and print journalists about the close cooperation between U.S. and AFP forces in Mindanao in the fight against terrorists. The press event produced a front page picture in the "Philippine Star" and coverage on the TV news.

Discussions with Congressional Colleagues

16. (C) At a dinner on December 8, Senator Bond had the opportunity to discuss key issues with his counterparts in the Philippine Congress. Drawing on his own experience championing the Patriot Act, Senator Bond made a strong pitch for the passage of the anti-terrorism legislation pending in the Philippines. Representative Roilo Golez, a former supporter of President Arroyo and current member of the Opposition, agreed that the legislation was important, and suggested that the current difficulty in passing it was due to a fear that its provisions would be used by the government against political opponents as well as suspected terrorists. Senator Bond also praised Philippine Defense Reform initiatives, and received an update on these from Representative Jose Solis, chairman of the House National defense and Security committee.

Economic/Commercial Issues

16. (U) Senator Bond met with board members of the American Chamber of Commerce of the Philippines (AmCham) on December 18. AmCham members drew the Senator's attention to the need for increased anti-corruption efforts, a reliable legal and regulatory framework for investing, trade liberalization, and a more foreigner-friendly immigration policy as necessary preconditions to drawing more foreign direct investment to the Philippines. AmCham members also pointed to the Philippines' relatively low spending on education and its high birth rate as two internal factors that put the country at a disadvantage in drawing FDI, especially in comparison to other countries in the region.

Comment

- 17. (C) Senator Bond's visit contributed immensely to our efforts to focus the GRP's Executive branch and Congress on our substantive agenda, led off by the Global War on Terrorism. President Arroyo's desire to build on her relationship with Washington offers opportunities to advance our substantive agenda. She has recently contributed to progress on anti-trafficking and intellectual property rights, in addition to maintaining strong support for the GWOT. High-level visits help to keep the government steady and on track despite the continuing political turmoil here.
- $\P 8.$ (U) Senator Bond did not have the opportunity to review this message.

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